

THREE SPAN OIL & GAS, INC.

FLYING M 8 STATE #1 SAN ANDRES DEVELOPMENT PROSPECT LEA COUNTY, NEW MEXICO

NEW WELL

Flying M 8 State Well #1

Location: 2150' FNL, 660 FWL, Township 9-S, Range 33-E
County / State: Lea County, New Mexico
Objective: 5,000' (San Andres)
Contractor: Patterson-UTI Drilling Company, Rig #495

04/18/2006: First Report: Commence building roads & location. Will MIRURT 04/22/2006.

04/21/2006: Complete roads & location. Will Commence MIRURT 04/22/2006 and Spud 04/23/2006.

04/22/2006: Prepare to MIRURT today and prepare to Spud 04/24/2006 a.m.

04/23/2006: MIRURT and prepare to Spud 04/24/2006 a.m.

04/24/2006: Complete MIRURT. Notify OCD of intent and prepare Spud this a.m..

04/25/2006: Day #1, WOC @ 427', Surface.

Made 437' / 6 hrs, Avg 72.8' / hr, MW-8.5, Vis-29, PH-9.5. Surveys @ 160'-1° and @ 437'-¼°, Bit #1-12 ¼" STC FDS+ (IADC 117), 3x13's, In @ 0', Has 437' / 6 hrs, Avg-72.8' / hr, WOB-All, RPM-90, Spud @ 10:30 a.m. 04/24/2006. Had 6 hrs Drilling, ¼ hr Survey, 3 hrs Circulate and WOC, 1 hr Drop TOTCO and TOH, 1 hr RU and Run 8 5/8 Surface Casing, 2 ¾ hr Circulate to Clear Casing, RU BJ Services and Cement, 4 hr WOC & 1 ¼ hr NU A Section WH.

Continue NU and Test WH & BOPE.

Ran 10 jts of 8 5/8", 24#, J-55, LTC, Range 3 Casing to Setting Depth of 427.25'. BJ Services Cemented w/ 300 sx Class "C" w/ 2% CaCl₂ (14.80 ppg w/ a 1.34 cf/sk Yield). 402 cf Total Slurry Volume. Circulated 73 sx Cement to Pit. Plug Down w/ 190# @ 11:00 p.m. 04/24/2006. Insert Float Held.

DMC - \$ 185 AMC - \$ 185 DWC - \$ 43,946 AWC - \$ 201,620

04/26/2006: Day #2, Drilling Ahead @ 937' w/ Full Returns. Red Bed.

Made 500' / 9 hrs, Avg 55.6' / hr, MW-8.9, Vis-30, PH-10. Pump #1 5 ½ x 8 x 130, PP-800#, 320 GPM. Bit #2-7 7/8" HTC GT1 (IADC 117), 2 x 11, 1 x 12, In @ 437', Cut 500' / 9 hrs, Avg 55.6' / hr, WOB-35M, RPM-80/100. Had 9 hrs Drilling, 1 1/2 hr NU and Test "A" Section Head and BOPE, 1- PU BHA and TIH & 2 1/2 hrs Drilling Float and Shoe Joint. Presently Drilling Ahead w/ Full Returns.

DMC - \$ 0 AMC - \$ 185 DWC - \$ 37,525 AWC - \$ 239,144

04/27/2006: Day #3, Drilling Ahead @ 2217' w/ Full Returns. Red Bed.

Made 1280' / 21 ½ hrs, Avg 59.5' / hr, MW-8.9, Vis-32, PH-10.0, CI-5200, Ca-1680. Pump #1 5 ½ x 8 x 130, PP-975#, 290 GPM. Surveys @ 937'-½°, 1446'-¾° & @ 1921'-¾°. Bit #2-7 7/8" HTC GT1 (IADC 117), 2 x 11, 1 x 12, In @ 437', Cut 1780' / 30 ½ hrs, Avg 58.4' / hr, WOB-25/35M, RPM-80/100. Had 21 ½ hrs Drilling and Connections & 2 ½ hr SHT and SR. Presently Drilling 56 fph w/ Full Returns.

DMC - \$ 210 AMC - \$ 395 DWC - \$ 18,283 AWC - \$ 257,428

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04/28/2006: Day #4, Drilling Ahead w/ Reduced WOB @ 2755'. Red Bed.
Made 538' / 19 ½ hrs, Avg 27.6' / hr, MW-8.9, Vis-33, PH-10.0, CI-5200, Ca-1680. Pump #1 5 ½ x 8 x 130, PP-1025#, 290 GPM. Surveys @ 2428'-2°, 2460'-2°, 2587'-1 ¼° & @ 2713'-1 ¼°. Bit #2-7 7/8" HTC GT1 (IADC 117), 2 x 11, 1 x 12, In @ 437', Cut 2318' / 50 hrs, Avg 46.4' / hr, WOB-15M, RPM-85.
Had 19 ½ hrs Drilling and Connections, 2 ½ hrs SHT and SR & 2 hrs RR.
Presently Drilling 40 fph w/ Full Returns. Prepare to Trip for Bit #3.
DMC - \$ 0 AMC - \$ 395 DWC - \$ 17,870 AWC - \$ 279,298

04/29/2006: Day #5, Drilling Ahead 30 FPH @ 3017'. Red Bed, Salt & Anhydrite.
Made 262' / 12 hrs, Avg 21.8' / hr, MW-9.3, Vis-33, PH-10.0. Pump #1 5 ½ x 8 x 130, PP-950#, 290 GPM.
Survey @ 2931'-1 ¼°. Bit #2-7 7/8" HTC GT1 (IADC 117), 2 x 11, 1 x 12, In @ 437', Out @ 2787',
Cut 2350' / 50 hrs, Avg 47' / hr, WOB-15 to 25M, RPM-85. Bit #3-7 7/8" HTC GX-30C (IADC 547Y), 3 X 12's,
In @ 2787', Cut 230' / 12 hrs, Avg 19.2' / hr, WOB-20 to 30M, RPM-80 to 90.
Had 13 hrs Drilling & Connections, ½ hr Survey, 8 hrs Circulate Bottoms-Up, Drop TOTCO and Trip for Bit #3,
2 hrs Wash & Ream to Bottom & ½ hr RR. Presently Drilling Ahead 30 FPH w/ Full Returns.
DMC - \$ 250 AMC - \$ 645 DWC - \$ 33,248 AWC - \$ 308,546

04/30/2006: Day #6, Drilling Ahead 20 FPH @ 3559'. Salt, Lime & Anhydrite.
Made 542' / 22 ½ hrs, Avg 24.1' / hr, MW-9.7, Vis-33, PH-10.0. Pump #1 5 ½ x 8 x 128, PP-925#, 285 GPM.
Surveys @ 3090'-1 ½°, @ 3217'-1 ½° & @ 3439'-1°. Bit #3-7 7/8" HTC GX-30C (IADC 547Y), 3 X 12's,
In @ 2787', Cut 772' / 35 hrs, Avg 22.4' / hr, WOB-35 to 40M, RPM-65.
Had 22 ½ hrs Drilling & Connections & 1 ½ hr Survey and SR. Presently Drilling Ahead 20 FPH w/ Full Returns.
DMC - \$ 0 AMC - \$ 645 DWC - \$ 17,870 AWC - \$ 326,416

05/01/2006: Day #7, Drilling Ahead 15 FPH @ 3903'. Lime & Anhydrite.
Made 344' / 21 ½ hrs, Avg 16.0' / hr, MW-9.8, Vis-33, PH-10.5. Pump #1 5 ½ x 8 x 128, PP-975#, 285 GPM.
Surveys @ 3598'-1 ½° & @ 3789'-2°. Bit #3-7 7/8" HTC GX-30C (IADC 547Y), 3 X 12's, In @ 2787',
Cut 1116' / 56 hrs, Avg 19.9' / hr, WOB-25M, RPM-65.
Had 21 ½ hrs Drilling & Connections & 2 ½ hr Survey and SR. Presently Drilling Ahead 20 FPH w/ Full Returns.
DMC - \$ 0 AMC - \$ 645 DWC - \$ 17,870 AWC - \$ 344,286

05/02/2006: Day #8, Drilling Ahead 13 FPH @ 4165'. Lime, Anhydrite & Dolomite.
Made 262' / 23 hrs, Avg 11.4' / hr, MW-10.1, Vis-33, WL-11.2, FC-2/32, PV-5, YP-6, PH-9.5, CI-170.0M,
Ca-4320. Pump #1 5 ½ x 8 x 128, PP-975#, 285 GPM. Surveys @ 3917'-1 ¾° and @ 3980'-1°. Bit #3-7 7/8" HTC GX-30C (IADC 547Y), 3 X 12's, In @ 2787', Cut 1378' / 79 hrs, Avg 17.4' / hr,
WOB-40 to 45M, RPM-60. Had 23 hrs Drilling and 1 hr Survey.
Turn to Steel Tanks and Mud-Up @ 3950'. Presently Drilling Ahead 13 FPH w/ Full Returns.
DMC - \$ 2,128 AMC - \$ 2,773 DWC - \$ 27,190 AWC - \$ 371,475

05/03/2006: Day #9, Drilling Ahead 20 FPH @ 4425'. Dolomite (T/ San Andres Porosity @ 4390').
Made 260' / 22 ½ hrs, Avg 11.6' / hr, MW-10.1, Vis-33, WL-11.2, FC-1/32, PV-4, YP-6, PH-9.5, CI-179.0M,
Ca-3920. Pump #1 5 ½ x 8 x 128, PP-1000#, 285 GPM. Surveys @ 4265'-2° and @ 4370'-2°. Bit #3-7 7/8" HTC GX-30C (IADC 547Y), 3 X 12's, In @ 2787', Cut 1638' / 101 ½ hrs, Avg 11.1' / hr,
WOB-40M, RPM-60. Had 22 ½ hrs Drilling and 1 ½ hrs Survey and SR.
Presently Drilling San Andres Pay Interval(s) 20 FPH w/ Full Returns.
DMC - \$ 1,913 AMC - \$ 4,686 DWC - \$ 19,783 AWC - \$ 391,258

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05/04/2006: Day #10, Trip In @ 4550' to Condition Hole for Casing. Dolomite.

Made 125' / 9 ½ hrs, Avg 13.2' / hr, MW-10.2, Vis-57, WL-7.2, FC-1/32, PV-4, YP-9, PH-9.0, CI-156.0M, Ca-2920. Pump #1 5 ½ x 8 x 128, PP-1000#, 285 GPM. Bit #3-7 7/8" HTC GX-30C (IADC 547Y), 3 X 12's, In @ 2787', Out @ 4550', Cut 1763' / 111 hrs, Avg 15.9' / hr, WOB-40M, RPM-60.

Had 9 ½ hrs Drilling, 2 hrs Circulate and Condition Mud for Logs @ a TD of 4550', 2 hr Short Trip 17 Stands, 1 ½ hrs Circulate and Condition Mud, 4 ½ hrs Drop TOTCO and Trip Out for Logs, 3 ½ hrs Rig Up Schumberger and RIH w/ PEX-HRLA/HNGS (unable to go past obstruction @ 1595') & 1 hr PU BHA and Trip In. Continue Trip In @ 4550'. Prepare to Trip Out LDDP.

DMC - \$ 931 AMC - \$ 5,618 DWC - \$ 30,036 AWC - \$ 421,294

05/05/2006: Day #11, Continue WOC. ND BOPE. NU "B" Section Wellhead.

Had 3 ½ hrs Trip In & Wash Down to 4550', 2 ½ hrs Circulate and Condition Mud, 6 ½ hrs Trip Out Laying Down DP & BHA, 5 hrs RU Casing Crew & Run 5 ½" Casing, ½ hr Wash 5' to Bottom, Circulate to Clear Casing, 4 ¼ hrs RU BJ Services and Cement & 1 ¾ hrs WOC.

Run & Cement the 5 ½" Casing as Follows:

5 1/2" Weatherford Gemco Float Shoe	1.30'
2 jts 5 ½" J-55, 15.5#, LT&C R-3 Casing	84.80'
5 ½" Weatherford Gemco Float Collar	1.25'
105 jts 5 ½" J-55, 15.5#, LT&C R-3 Casing	4,462.43'

Ran a Total of 107 jts 5 ½" w/ a Casing setting Depth @ 4,549.78' KB. The San Andres interval(s) were Centralized with 18 "Turbulators" and 10 Centralizers. Ran a Total of 20 Bow Spring Centralizers.

Cement the 5 ½" Casing as Follows: Pumped 20 bbls FW Spacer, 500 gals "SureBond" (Sodium Silicate), 15 bbl FW Spacer and Cemented w/ 400 sx (50:50) Poz:Class C Cement Mixed w/ 10% Gel and 5% NaCl (11.6 ppg w/ a yield of 2.61 cf/sk) Lead Slurry and 100 sx (50:50) Poz:Class C Cement Mixed w/ 2% Gel, 5% NaCl and 3% FL-52A (14.4 ppg w/ a yield of 1.25 cf/sk) Tail Slurry. Displaced w/ 106 BFW Reciprocating Casing 10' to 30' w/ Good Circulation throughout Job. Plug Down @ 3:46 a.m. 05/05/2006 w/ 875 STP. Total Cement Volume of 1169 cu ft. Calculated TOC @ Surface. Did NOT Circulate Cement.

DMC - \$ 1,475 AMC - \$ 7,093 DWC - \$ 102,660 AWC - \$ 523,954

05/06/2006: Day #12, RDRT. Patterson-UTI Drilling Co. Rig 495 Released @ 4.00 p.m. 05/05/2006.

Had 10 hrs Continue WOC, ND BOPE, set 5 ½" Slips, Rough Cut 5 ½" and Jet / Clean Pits.

Released Patterson-UTI Drilling Co. Rig 495 @ 4:00 p.m. 05/05/2006.

DMC - \$ 0 AMC - \$ 7,093 DWC - \$ 8,099 AWC - \$ 532,053

05/08/2006: Continue RDRT. Will MORT, Blade Location and Set Anchors beginning 05/09/2006.

05/09/2006: RDMORT. Will Blade Location and Set Anchors 05/10/2006.

05/10/2006: Prepare to Blade Location, Set Anchors and NU B Section WH.

05/11/2006: Blade Location and Roads. Set and Test anchors. NU B section WH.

05/12/2006: Prepare to MI Rocker A Well Service Rig 35 tomorrow p.m.

05/14/2006: Completion Day #1: Prepare to clean out to PBTD.

Move-in and rig up Rocker A Well Service Rig No. 35. NU and test BOPE. Secure well and SDFS.

DWC - \$ 7,393 AWC - \$ 553,032

05/16/2006: Completion Day #2: Prepare to log RSTA-CMTB-NGS. PBTD @ 4553.79' KB. Unload and rack 148 jts 2 3/8", 4.7#, J-55 8Rd EUE tubing. Pick up 4 3/4" bit and 6 X 3 1/2" collars. Trip in picking up 2 3/8". Rig up reverse unit, swivel and establish circulation w/ fresh water. Clean out to FC. Continue drill out FC and shoe joint to PBTD @ 4553' KB (FS). Circulate well clean. Secure well. SDFN.

DWC - \$ 25,584 AWC - \$ 578,616

05/17/2006: Completion Day #3: Continue log RSTA-CMTB-NGS. Prepare to spot acid. PBTD @ 4553.79' KB. Establish circulation w/ fresh water and circulate well clean. Displace well w/ 110 bbls 2% KCl. Trip out w/ 2 3/8" tubing laying down bit and collars. Rig up Schlumberger. Run in w/ CMTB-NGS-CCL and log from WL PBTD @ 4550'. Load and pressure casing to 500 psig and log from WL PBTD to Surface. TOC @ 1658'. Unable to continue logging due to computer failure. Secure well. SDFN.

DWC - \$ 6,125 AWC - \$ 584,741

05/18/2006: Completion Day #4: Prepare to perforate San Andres pay intervals. PBTD @ 4553.79' KB. Rig up Schlumberger and continue log RSTA-NGS-CCL. POH and rig down wireline. Pick up 2 3/8" PS, SN and trip in w/ 2 3/8" tubing open-ended (TP @ 4533' KB). Rig up BJ Services. Pickle tubing w/ 250 gals 15% HCl and reverse to pit. Spot 250 gals 15% NEFE HCl acid from 4533' to 4283' w/ 16.5 bbls 2% KCl. Trip out w/ 24 stands 2 3/8". Rig up and swab well down to SN. Continue trip out w/ 2 3/8" tubing. Secure well. SDFN.

DWC - \$ 19,333 AWC - \$ 604,075

05/19/2006: Completion Day #5: Prepare to acidize perforated San Andres pay intervals. PBTD @ 4553.79' KB. Rig up Schlumberger. PU 3 3/8" 3406 PowerJet casing guns (4 SPF X 90° Phase, 22.7 gm, 0.45" EH, 38.6" TDP) and perforate San Andres from 4436' - 4454', 4422' - 4430' and from 4386' - 4412' (52' net pay, 208 perforations). Rig down Schlumberger. PU 5 1/2" AS1X-10K (ArrowSet) packer, T-2 On-Off Tool and trip in on 2 3/8". Blow well down to pit and rig up swab. Run in to IFL @ 1750' (FFS). Swab well down to FFL @ 4300' recovering ± 70 BLW (1.2 BPH fluid entry). Set packer @ 4300' w/ 15 pts. Secure well. SDFN.

DWC - \$ 18,725 AWC - \$ 622,800

05/20/2006: Completion Day #6: Prepare to swab completion interval and recover load. PBTD @ 4553.79' KB. RU BJ Services. Test surface iron to 4000 psig. Pump 500 gals 15% NEFE HCl acid and displace 20 bbls 2% KCl. AIR 2.5 BPM. ATP / Max STP 1850 / 1975 psig. Load and pressure backside w/ 62 bbls 2% KCl to 200 psig. Pump 4500 gals 15% NEFE HCl acid using 300 1.1 SG ball sealers for diversion. Displace 21 bbls 2% KCl. Some ball action but did NOT ball-out. AIR 2.5 BPM, ATP / Max STP 1650 / 1860 psig. Release packer and trip in to knock balls off perforations. Reset packer, load and pressure backside w/ 6.5 bbls 2% KCl. Acidize San Andres pay w/ 10,000 gals 15% NEFE HCl acid in 4 stages using 6500 lbs 100 mesh rock salt for diversion. Displace acid w/ 20 bbls 2% KCl. AIR 3.0 BPM, ATP / Max STP 1850 / 2031 psig. ISIP 1520 psig, 15 min SIP 409 psig. 588 BLWT. RD BJ Services. Secure well. SDFN.

DWC - \$ 42,984 AWC - \$ 665,785

05/21/2006: Completion Day #7: Continue swab completion interval and recover load. PBTD @ 4553.79' KB. 400 psig SITP. Blow well down to pit. Rig up swab and run n to IFL @ 2400' (FFS). Swab well to a FFL @ 2000' over 8 hrs recovering ± 85 BLW w/ an oil cut of 7% to 10%. 503 BLWTR. Secure well. SDFN.

DWC - \$ 4,045 AWC - \$ 669,829

05/22/2006: Completion Day #8: Continue swab completion interval and recover load. PBTD @ 4553.79' KB. 400 psig SITP. Blow well down to pit. Rig up swab and run to IFL @ 1800' (FFS). Swab well to a FFL @ 2000' over 6 hrs recovering ± 110 BLW w/ an oil cut of 15% to 20%. 393 BLWTR. Secure well. SDFN.

DWC - \$ 3,635 AWC - \$ 673,465

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05/23/2006: Completion Day #9: Continue run Production (ALS) Equipment. PBTB @ 4553.79' KB. 400 psig SITP. Blow well down to pit. Rig up swab and run in to IFL @ 1800' (FFS). Swab well to FFL @ 2200' over 3 hrs recovering \pm 35 BLW w/ an oil cut ranging from 20% to 25%. 358 BLWTR. Release ArrowSet packer and trip out laying down same. Pick up 2 3/8" notched collar, 16' x 2 3/8" subs (MA), 2 3/8" perforated sub (PS), seating nipple (SN), tubing anchor (TAC) and trip on 2 3/8" production tubing. Nipple down BOPE, set TAC and NU WH. (TAC @ 4321.28' KB, SN @ 4507.56' KB, TP @ 4528.76' KB) Secure well. SDFN.

DWC - \$ 5,257 AWC - \$ 678,722

05/24/2006: Completion Day #10: Prepare to Turn Well to Test. PBTB @ 4553.79' KB. 0 psig SITP. 400 psig SICP. Blow well down to pit. Rig up swab and run in to IFL @ 2200' (FFS). PU 20-125-RHBC 16-4 pump and run in picking up 3 X 1 1/2" "C" bars, 110 x 3/4" Norris "78" (grade D) rods and 66 x 7/8" Norris "78" rods. Space well out w/ 6' x 7/8" pony rod. Space well out and verify pump action. Rig down and release Rocker A Well Service.

DWC - \$ 19,752 AWC - \$ 698,474

Will set Bethlehem 160-XXX-64 pumping unit tomorrow and turn to production @ an estimated 125 BFPD rate through a 3-phase tester Saturday p.m.

05/27/2006: Prepare to set panel and turn well to test this p.m.. Set Bethlehem 160-XXX-64 pumping unit. Rig up 40 KVA generator.

05/28/2006: Turn to production @ an estimated 125 BFPD rate through a 3-phase tester.

05/29/2006: No gauge.

05/30/2006: No gauge. Pumping w/ 50% oil cut. Will turn through 3-phase tester and commence gauging today.

05/31/2006: 24 hour Gauge. 9 STBO, 112 BLW, 15% Oil Cut.

06/01/2006: 24 hour Gauge. 16 STBO, 110 BLW, 15-20% Oil Cut.

06/02/2006: 24 hour Gauge. 16 STBO, 111 BL&PW, 15-20% Oil Cut.

06/03/2006: 24 hour Gauge. 15 STBO, 107 BPW, 15-20% Oil Cut.

06/04/2006: 24 hour Gauge. 17 STBO, 124 BPW, 15-20% Oil Cut.

06/05/2006: 24 hour Gauge. 14 STBO, 103 BPW, 15-20% Oil Cut. Will measure DFL this week.

06/06/2006: 24 hour Gauge. 15 STBO, 105 BPW, 15-20% Oil Cut.

06/07/2006: 24 hour Gauge. 15 STBO, 125 BPW, 15-20% Oil Cut.

06/08/2006: 24 hour Gauge. 14 STBO, 117 BPW, 15-20% Oil Cut.

06/09/2006: 24 hour Gauge. 16 STBO, 108 BPW, 15-20% Oil Cut. Will shoot fluid level this p.m.

06/10/2006: 24 hour Gauge. 12 STBO, 107 BPW, 15-20% Oil Cut. DFL @ 77 JFS (approximately 2375' FFS).

06/11/2006: 24 hour Gauge. 14 STBO, 108 BPW, 15-20% Oil Cut.

06/12/2006: 24 hour Gauge. 13 STBO, 110 BPW, 15-20% Oil Cut.

06/13/2006: 24 hour Gauge. 0 STBO, 25 BPW. Generator Down.

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06/14/2006: 24 hour Gauge. 0 STBO, 4 BPW. Generator Down.

06/15/2006: 24 hour Gauge. 0 STBO, 9 BPW. Generator Down. Set Replacement Generator.

06/16/2006: 24 hour Gauge. 0 STBO, 13 BPW. Generator Down. Set 2nd Replacement Generator.

06/17/2006: 24 hour Gauge. 18 STBO, 96 BPW, 15-20% Oil Cut.

06/18/2006: 24 hour Gauge. 15 STBO, 113 BPW, 15-20% Oil Cut.

06/19/2006: 24 hour Gauge. 14 STBO, 105 BPW, 15-20% Oil Cut.

06/20/2006: 24 hour Gauge. 13 STBO, 111 BPW, 15% Oil Cut.

06/21/2006: 24 hour Gauge. 13 STBO, 109 BPW, 15% Oil Cut.

06/22/2006: 24 hour Gauge. 15 STBO, 116 BPW, 15% Oil Cut.

06/23/2006: 24 hour Gauge. 13 STBO, 111 BPW, 15% Oil Cut.

06/24/2006: 24 hour Gauge. 14 STBO, 113 BPW, 15% Oil Cut.

06/25/2006: 24 hour Gauge. 12 STBO, 107 BPW, 15% Oil Cut.

06/26/2006: 24 hour Gauge. 11 STBO, 105 BPW, 15% Oil Cut.

06/27/2006: 24 hour Gauge. 12 STBO, 103 BPW, 15% Oil Cut.

06/28/2006: 24 hour Gauge. 12 STBO, 116 BPW, 15% Oil Cut.

06/29/2006: 24 hour Gauge. 11 STBO, 114 BPW, 15% Oil Cut.

06/30/2006: 24 hour Gauge. 11 STBO, 110 BPW, 15% Oil Cut.

07/01/2006: 24 hour Gauge. 14 STBO, 116 BPW, 15% Oil Cut. DFL @ 83 JFS (approximately 2560' FFS).

07/02/2006: 24 hour Gauge. 12 STBO, 114 BPW, 15% Oil Cut.

07/03/2006: 24 hour Gauge. 10 STBO, 110 BPW, 15% Oil Cut.

07/04/2006: 24 hour Gauge. 12 STBO, 115 BPW, 15% Oil Cut.

07/05/2006: 24 hour Gauge. 11 STBO, 113 BPW, 15% Oil Cut.

07/06/2006: 24 hour Gauge. 13 STBO, 116 BPW, 15% Oil Cut.

07/07/2006: 24 hour Gauge. 11 STBO, 113 BPW, 15% Oil Cut.

07/08/2006: 24 hour Gauge. 12 STBO, 110 BPW, 15% Oil Cut.

07/09/2006: 24 hour Gauge. 11 STBO, 115 BPW, 15% Oil Cut.

07/10/2006: 24 hour Gauge. 12 STBO, 112 BPW, 15% Oil Cut.

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07/11/2006: 24 hour Gauge. 11 STBO, 119 BPW, 15% Oil Cut.
Prepare to MIRU Rocker A Well Service and plug back to $\pm 4432'$ this a.m..

07/12/2006: Prepare to rig up and trip out w/ artificial lift equipment. 24 hour Gauge. 11 STBO, 111 BPW.
Move-in Rocker A Well Service Rig No. 35. Secure well and SDFN.

07/13/2006: Prepare to run in and set RBP @ $\pm 4432'$ this a.m.
Rig up Rocker A Well Service Rig No. 35. Unseat pump an pull out with 76 tapered rods. ND wellhead.
Nipple up and test BOPE. Release TAC and trip out with 2 3/8" production string. Secure well and SDFN.

07/14/2006: Prepare to rig down Rocker A Well Service and turn well to test.
RU Computalog. Pick up 5 1/2" RBP and RIH to 4433'. Set RBP, pull out with tools and rig down wireline.
Pick up 2 3/8" notched collar, 16' x 2 3/8" subs (MA), 2 3/8" perforated sub (PS), seating nipple (SN), tubing anchor (TAC) and trip on 2 3/8" production tubing. Nipple down BOPE, set TAC and nipple up wellhead.
PU 20-125-RHBC 16-4 pump and run in picking up 3 X 1 1/2" "C" bars, 107 x 3/4" Norris "78" (grade D) rods and 65 x 7/8" Norris "78" rods. Space well out w/ 10' x 7/8" pony rod(s). Verify pump action and turn to test.

07/15/2006: ? hour Gauge. 10 STBO, 109 BPW, 15% Oil Cut.

07/16/2006: 24 hour Gauge. 16 STBO, 104 BPW, 15% Oil Cut.

07/17/2006: 24 hour Gauge. 16 STBO, 101 BPW, 15% Oil Cut.

07/18/2006: 24 hour Gauge. 17 STBO, 104 BPW, 15% Oil Cut.

07/19/2006: 24 hour Gauge. 14 STBO, 126 BPW, 15% Oil Cut.

07/20/2006: 24 hour Gauge. 12 STBO, 116 BPW.

07/21/2006: 24 hour Gauge. 7 STBO, 102 BPW.

07/22/2006: 24 hour Gauge. 5 STBO, 105 BPW.

07/23/2006: 24 hour Gauge. 6 STBO, 103 BPW.

07/24/2006: 24 hour Gauge. 4 STBO, 103 BPW.

07/25/2006: 24 hour Gauge. 4 STBO, 86 BPW.

07/26/2006: 24 hour Gauge. 3 STBO, 107 BPW.

07/27/2006: 24 hour Gauge. 7 STBO, 106 BPW.

07/28/2006: 24 hour Gauge. 10 STBO, 109 BPW.

07/29/2006: 24 hour Gauge. 8 STBO, 106 BPW. DFL @ 90 JFS (approximately 2775' FFS).

07/30/2006: 24 hour Gauge. 7 STBO, 105 BPW.

07/31/2006: 24 hour Gauge. 3 STBO, 111 BPW.

08/01/2006: 24 hour Gauge. 5 STBO, 109BPW.
Prepare to MIRU Rocker A Well Service.

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08/02/2006: Prepare to rig up and trip out w/ artificial lift equipment. No Gauge.
Move-in Rocker A Well Service Rig No. 35. SDFN.

08/03/2006: Prepare to run in and reset RBP @ $\pm 4415'$ this a.m.
Rig up Rocker A Well Service Rig No. 35. Unseat pump and pull out with 76 tapered rods. Nipple doown wellhead. Nipple up and test BOPE. Release TAC and trip out with 2 3/8" production string. Pick up overshot and trip in on 2 3/8". Engage, release and trip out w/ RBP laying down same. Secure well and SDFN.

08/04/2006: Prepare to rig down Rocker A Well Service and turn well to test.
RU Computalog. Pick up 5 1/2" RBP and RIH to 4416'. Set RBP, pull out with tools and rig down wireline. Pick up 2 3/8" notched collar, 16' x 2 3/8" subs (MA), 2 3/8" perforated sub (PS), seating nipple (SN), tubing anchor (TAC) and trip on 2 3/8" production tubing. Nipple down BOPE, set TAC and nipple up wellhead. PU 20-125-RHBC 16-4 pump and run in picking up 3 X 1 1/2" "C" bars, 107 x 3/4" Norris "78" (grade D) rods and 64 x 7/8" Norris "78" rods. Space well out, verify pump action and turn to test.

08/05/2006: ? hour Gauge. 4 STBO, 66 BPW.

08/06/2006: 24 hour Gauge. 6 STBO, 67 BPW.

08/07/2006: 24 hour Gauge. 5 STBO, 63 BPW.

08/08/2006: 24 hour Gauge. 11 STBO, 72 BPW.

08/09/2006: 24 hour Gauge. 9 STBO, 73 BPW.

08/10/2006: 24 hour Gauge. 12 STBO, 107 BPW.

08/11/2006: 24 hour Gauge. 10 STBO, 104 BPW.

08/12/2006: 24 hour Gauge. 11 STBO, 111 BPW.

08/13/2006: 24 hour Gauge. 9 STBO, 103 BPW.

08/14/2006: 24 hour Gauge. 10 STBO, 102 BPW.

08/15/2006: 24 hour Gauge. 9 STBO, 101 BPW.

08/16/2006: 24 hour Gauge. 12 STBO, 118 BPW.

08/17/2006: 24 hour Gauge. 10 STBO, 102 BPW.

08/18/2006: 24 hour Gauge. 8 STBO, 86 BPW. DFL @ 89 JFS (approximately 2750' FFS).

08/19/2006: 24 hour Gauge. 12 STBO, 115 BPW.

08/20/2006: 24 hour Gauge. 8 STBO, 100 BPW.

08/21/2006: 24 hour Gauge. 9 STBO, 104 BPW.

08/22/2006: 24 hour Gauge. 8 STBO, 105 BPW.

08/23/2006: Prepare to run in and set packer @ $\pm 4433'$ this a.m. 6 STBO, 112 BPW last 24 hours.
Move-in and rig up Rocker A Well Service Rig No. 35. Unseat pump and pull out with 76 tapered rods. Nipple down wellhead. Nipple up and test BOPE. Release TAC and trip out with 2 3/8" production tubing. Pick up overshot and trip in on 2 3/8". Engage and release RBP. Secure Well and SDFN.

08/24/2006: Prepare to rig down Rocker A Well Service and turn well to test.

Trip out with RBP laying down same. RU wireline. Pick up 2 3/8" mud anchor, perforated sub, 5 1/2" ArrowSet packer w/ T-2 on-off tool and RIH to 4433'. Set packer, pull out with tools and rig down wireline. Pick up overshot, 2 3/8" seating nipple SN and trip on 2 3/8" production tubing. Nipple down BOPE, engage on-off tool (16 pts tension) and nipple up wellhead. PU 20-125-RHBC 16-4 pump and run in picking up 3 X 1 1/2" "C" bars, 109 x 3/4" Norris "78" (grade D) rods and 64 x 7/8" Norris "78" rods. Space well out, verify pump action and turn to test.

08/25/2006: Rig down and release Rocker A Well Service. ? hour Gauge. 6 STBO, 76 BPW.

08/26/2006: Well down for facility repairs.

08/27/2006: Well down for facility repairs.

08/28/2006: Well down for facility repairs.

08/29/2006: ? hour Gauge. 12 STBO, 111 BPW.

08/30/2006: 24 hour Gauge. 12 STBO, 115 BPW.

08/31/2006: 24 hour Gauge. 10 STBO, 106 BPW.

09/01/2006: 24 hour Gauge. 9 STBO, 110 BPW.

09/02/2006: 24 hour Gauge. 11 STBO, 77 BPW.

09/03/2006: 24 hour Gauge. 10 STBO, 93 BPW.

09/04/2006: 24 hour Gauge. 10 STBO, 102 BPW.

09/05/2006: 24 hour Gauge. 8 STBO, 108 BPW. Prepare to set production equipment.

09/06/2006: 24 hour Gauge. 9 STBO, 105 BPW.

09/07/2006: 24 hour Gauge. 10 STBO, 96 BPW.

09/08/2006: 24 hour Gauge. 9 STBO, 99 BPW.

09/09/2006: 24 hour Gauge. 8 STBO, 88 BPW.

09/10/2006: 24 hour Gauge. 9 STBO, 93 BPW.

09/11/2006: 24 hour Gauge. 8 STBO, 89 BPW.

09/12/2006: 24 hour Gauge. 8 STBO, 90 BPW.

09/13/2006: 24 hour Gauge. 7 STBO, 105 BPW.

09/14/2006: Prepare to rig down Rocker A Well Service and turn well to test. 1 STBO, 13 BPW last 24 hours. Move-in and rig up Rocker A Well Service Rig No. 35. Unseat pump and pull out with 76 tapered rods. Nipple down wellhead. Nipple up and test BOPE. Release ArrowSet Packer and trip out with 2 3/8" production tubing. Pick up 2 3/8" notched collar, 16' x 2 3/8" subs (MA), 2 3/8" perforated sub (PS), seating nipple (SN), tubing anchor (TAC) and trip on 2 3/8" production tubing. Nipple down BOPE, set TAC and NU WH. Secure well. SDFN.

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9/14/2006: PU 20-125-RHBC 16-4 pump and run in picking up 3 X 1 1/2" "C" bars, 110 x 3/4" Norris "78" (grade D) rods and 66 x 7/8" Norris "78" rods. Space well out w/ 6' x 7/8" pony rod. Space well out and verify pump action. Rig down and release Rocker A Well Service. Turn well to production facility.

09/15/2006: Drop well from report.